



CASE STUDY: AKZO NOBEL SURFACE CHEMISTRY

Freight Payment: The Volume of Volume

Freight payment is a process that is often characterized as creating too much back office noise. Thousands of invoices generated by multiple carriers featuring rate variances, exceptions, missing bills of lading and unhappy carriers clamoring for their past due payments – these are just a few of the factors that can create a deafening roar of disturbance for a logistics manager. Further contributing to the cacophony are demands from accounting departments for reductions in accrual variances – that is to improve the accuracy of shipping fees that are issued to clients in advance of the shipments arrival – to comply with new finance regulations. Fortunately, with the implementation of the right freight payment and audit systems, this roar can be reduced to a quiet murmur and great efficiencies can be gained. Such has been the case for Akzo Nobel's Surface Chemistry LLC unit upon implementing the ChemLogix freight payment solution.

Case Study: Akzo Nobel Surface Chemistry

Akzo Nobel is one of the world's leading industrial companies with 60,000 employees operating in more than 80 countries. Based in Amsterdam, the Netherlands, the global company makes and supplies a huge range of paints, coatings, and specialty chemicals. The Akzo Nobel Surface Chemistry LLC business unit headquartered in Chicago is a leading supplier of surfactants. The majority of the compounds offered by Akzo Nobel Surface Chemistry LLC are surface-active agents, used in hundreds of commercial applications and shipped all over the world. The products range from formulations for industrial and household cleaning, to paint and building additives, to emulsifiers and more.

Al Wiener, Manager of Transportation Services and Operational Efficiency for Akzo Nobel Surface Chemistry LLC, is responsible for transportation of these products throughout North America via all modes – truck, rail, bulk, intermodal and LTL. Given his position, Wiener is very familiar with the limitations of processing freight bills using traditional accounts payable methods. He is also well acquainted with the challenges of providing reliable freight rate quotes for Akzo's clients. That is exactly why Akzo Nobel selected the ChemLogix freight payment platform with its electronic invoice payment environment and online rating tool. Reports Wiener, "Significant efficiencies have been gained. What once took 3 people to manage, now only takes one."

Of course, a system is only as good as the people who support it. ChemLogix has also earned high praise for its customer service. According to Wiener, "We have a good relationship with ChemLogix. Their support personnel are responsive to our needs and can be relied upon to follow through on requests."

SUMMARY



Challenge:

Reduce inefficiencies and back office noise associated with paying thousands of freight invoices.

Solution:

Akzo Nobel Surface Chemistry LLC implemented the ChemLogix Freight Payment & Audit Solution utilizing web based technology to streamline the payment process, improve accrual accuracy and enhance access to freight rates.

Results:

- Payment process is streamlined through automation
- Reduction of personnel required to process invoices
- Fewer payment errors
- Decreased accrual variances
- Improved carrier relationships



How Efficiencies Are Gained

By utilizing the ChemLogix freight payment and audit service, companies like Akzo Nobel gain access to expertise and/or resources which are typically not available to them in-house. As a result of using ChemLogix for freight payment, Akzo Nobel has experienced efficiencies in several areas:

System Improvement: ChemLogix' web based technology has improved the payment process through automation and by placing critical freight rate and payment data at the fingertips of relevant stakeholders.

Reduced Labor: Utilizing ChemLogix for freight payment has reduced the number of internal personnel to process the freight invoices and carrier inquiries. Further, ChemLogix' exception management process resolves disputed invoices with carriers reducing unnecessary research later on. Thus, following implementation of the system, reductions in labor have been realized.

Fewer Errors: Automating the process of freight payment has greatly reduced user errors associated with manually inputting data. ChemLogix' superior audit functionality has ensured that carrier rates are correct and reduced the incidence of overpayment.

Accurate Carrier Rates: With access to a robust online database of carrier rates and routing information, Akzo Nobel now has accurate shipping information available on demand. Having this data readily available to their plants, sales and customer service departments has greatly reduced the amount of time their logistics department spends fielding rate requests.

Decreased Accrual Variances: ChemLogix' freight payment system accurately quotes freight rates, which has helped Akzo Nobel decrease their freight accrual variances – which is crucial given the stringent financial regulatory environment they face today.

Summary: The ChemLogix Value Proposition

ChemLogix is dedicated to providing sustainable value to our clients. In this instance, Akzo Nobel is benefiting from the value of the ChemLogix freight payment platform including:

- Elimination of payment errors
- Reduced expenses associated with accessorial charges and surcharges
- Improved visibility to the entire payment process
- Flexibility to view shipping data by product line and customer
- Greatly enhanced reporting and access to critical carrier data, including rates

Al Wiener asserts "We're very pleased with the freight payment service that ChemLogix has provided. Through their advanced systems and technologies, we have gained significantly greater control of our freight payment process. Good carrier relationships are maintained through timely, error free payments."

To learn more about ChemLogix freight payment and audit services, call (215) 461-3805, or email us at information@chemlogix.com.

About ChemLogix

ChemLogix, LLC is a leading provider of comprehensive chemical industry transportation management, technology, and supply chain consulting services that enable its clients to improve performance and drive economic value. ChemLogix is dedicated to solving its customers' most vital logistics challenges by leveraging chemical industry expertise, best-of-breed technology and a personalized, high-touch approach to deliver measurable, sustainable value. For more information, visit www.chemlogix.com or email information@chemlogix.com.

CHEMLOGIX The Leading Provider of Logistics Strategy and Solutions to the Chemical Industry.

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